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RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE

RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC IMMEDIATE

RUEKJCS/SECDEF WASHDC IMMEDIATE

RHEHAAA/THE WHITE HOUSE WASHDC IMMEDIATE

RUEKJCS/JOINT STAFF WASHDC IMMEDIATE

RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC IMMEDIATE 1152

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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000692

SIPDIS

STATE FOR WHA A/S TOM SHANNON

E.O. 12958: DECL: 08/03/2019

TAGS: AEMR KDEM MARR PGOV PINR PREL HO

SUBJECT: AMBASSADOR DISCUSSES NEXT STEPS WITH MEDIATION

**PARTICIPANTS** 

REF: (A) TEGUCIGALPA 663 AND PREVIOUS (B) SECSTATE 69222

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Classified By: Ambassador Hugo Llorens, reasons 1.4 (b & d)

11. (C) Summary: The Ambassador hosted a dinner on August 1 with former President Carlos Flores and Micheletti team members to the Arias mediation, Arturo Corrales and Vilma Morales (neither are members of the Micheletti regime; see Bio notes para 7). Morales and Corrales said they remained committed to an agreement under the Arias mediation. However, they said the situation was difficult and complicated due to the great polarization of Honduran society and the great mistrust that exists between the two sides. They briefed the Ambassador on various aspects of the situation, giving their perspective on the status of the mediation effort. End summary.

Micheletti Statement on NY Times Article

12. (C) Morales and Corrales described Micheletti's statement dismissing the New York Times article that reported his conversation with Arias as a major mistake and showed Micheletti at his most "reflexive and reactive." They had pushed hard to correct the record and contributed to the draft issued later Friday evening that reaffirmed the regime's support for the Arias mediation, and acknowledged the valued role being played by Senator Kerry in seeking a solution to the Honduran crisis.

Status of Political Amnesty

13. (C) Morales said that Congress came close to rejecting the political amnesty proposal contained in the Arias draft agreement on Friday, July 31. She said that if political amnesty was off the table, it would be very difficult if not impossible to have a viable mediation (which is Arias' position). Morales had lobbied hard with the Congressional committee assembled to review this issue. She said that in a four-hour meeting Friday afternoon she made the case that political amnesty was a viable and necessary part of an

agreement and would benefit all sides. She noted that the anti-Zelaya legislators erroneously believe that the political amnesty would only benefit Zelaya and his supporters, not realizing that in fact Micheletti and his supporters also would benefit from political amnesty, particularly those members of the regime, in the military, Congress and the judiciary, who may have been in some way involved in the coup. She was able to get the committee to back away from the position of outright rejection of political amnesty. She said that she will provide testimony on this issue in Congress on Monday, August 3. She said that a creative way of working political amnesty is to make it temporary and conditioned on both sides zealously adhering and implementing the Arias agreement. The idea is to use amnesty to create a set of incentives for both sides to abide by the terms of the agreement.

Strong Enforcement Mechanisms are Essential to an Agreement

14. (C) Morales and Corrales believe that with some modifications the current Arias proposal represents a good blueprint for an agreement. However, both stressed that the overwhelming majority of the anti-Zelaya coalition simply do not believe that Zelaya will comply with its terms. They both spoke of the importance of having foolproof guarantees that the terms of the agreement will be zealously implemented by both sides. Both joked that if there were 1,000 Marines or UN peacekeepers to enforce it, most people would support a technically sound agreement. Therefore, the whole issue of guarantees and enforcement is absolutely critical if the Micheletti side is going to make the political decision to allow for Zelaya's return and the restoration of his presidency.

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## Influencing Micheletti

 $\underline{\P}$ 5. (C) The Ambassador asked Morales and Corrales about hard-core regime officials who were influencing Micheletti not to accept the Arias mediation plan. Both said that the other two mediation commissioners, regime Foreign Minister Carlos Lopez Contreras and Mauricio Villeda (manager for the Elvin Santos presidential campaign), are much more skeptical about the process. Lopez Contreras is a polished career diplomat, lawyer and member of the Nationalist Party, ideologically very much on the right of the political spectrum. He also may reflect the National Party leadership's tendency to oppose an agreement since they believe that a deal hurts their election prospects. The National Party view in private is that as long as Zelaya remains outside the country the Liberal Party will remain splintered between its Zelaya, Micheletti and Santos factions and will not be able to mount an effective election campaign. Worse, Lopez is greatly influenced by his wife Armida, who is one of the most active and prominent civil society leaders of the "white" movement. Armida is very strong, determined and rabidly opposed to any agreement with Zelaya. Both described Villeda as a man of great integrity, but someone who also carried a fair amount of ideological baggage (he is an Opus Dei member). Corrales believes Villeda was more flexible than Lopez, since he understood an agreement would benefit the Liberal Party.

## The Role of Enrique Iglesias

16. (C) Corrales stressed that the strongest influence on Micheletti was not so much within the regime, but rather the influence of his supporters in the business community, the Catholic Church, and the evangelicals who are consistently pressuring him to stand firm. He said these groups represented the core of his support base.

Both Corrales and Morales believe it is critically important for Enrique Iglesias and other "credible" international figures to come to Honduras and speak directly to these civil society groups and help bring them around to the view that a negotiated agreement was in the best interest of all Hondurans. Iglesias is greatly respected in Honduras and as IDB President was viewed as an individual with great affinity for the country and its people. He said if Iglesias could influence the Micheletti supporters, it would be much easier for Micheletti to finally take the plunge and agree to the deal. They said the sooner Iglesias could come, the better.

## Bio Notes

17. (C) Corrales is not a Micheletti regime official. He is a respected political consultant and a member of the Christian Democratic Party. Micheletti trusts Corrales' judgment, respects his abilities as a negotiator, and personally asked him to serve on his delegation to the Arias mediation. Morales is a highly regarded jurist and constitutional expert who was President of the Supreme Court until her term expired in late January of this year. She is also not a member of the Micheletti regime; she is affiliated with the opposition National Party. Micheletti respects Morales and will listen to her advice. Corrales and Morales are the two most moderate and independent members of the Micheletti negotiating team.